

# THE PUBLIC RELATIONS JOURNAL

OF THE AMERICAN COUNCIL  
ON PUBLIC RELATIONS

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**The Proof of the Propaganda-Pudding**

By ELLSWORTH S. GRANT

**P. R. Program of American Gas Assn.**

By J. E. DREW

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VOLUME 2

NUMBER 9

S E P T E M B E R

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**THE JOURNAL** is published monthly by the American Council on Public Relations at 369 Pine Street, San Francisco 4, California. Council members in the United States and Canada receive it as part of the Council service, which includes books, monthly news bulletins, research studies, and miscellaneous brochures; non-members of the Council—individuals, libraries and institutions—may subscribe to it at \$5.00 a year in United States or Canada. Copyright 1946 by American Council on Public Relations. Application for second class matter pending.

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SEPTEMBER, 1946

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Editorial

**B**USINESS—especially Big Business—is in the doghouse again. During the war it reclaimed and surpassed its former high position in public esteem. It made a reputation based upon a truly great production achievement that forced admiration from all who beheld it, in this country and abroad.

Then why is it in the doghouse again? And what should it do about getting out?

Two major factors have been and are responsible for the present unfavorable situation. One is the things that top management has done based upon a wrong philosophy. The other is failure to develop the right philosophy to provide the things to do which would win and hold public approval.

Men live and dominate institutions according to their ideals. If those ideals are faulty, misconceived, not based on truth and human dignity, the institutions in question suffer. Business has been suffering from inadequate, one might say even bad, ideals, although too many leaders in top management have not in the past, and in many instances do not now, appear to realize this fact.

What a wonderful opportunity the war provided for business to place itself high in the affections and respect of the public! Had it operated with right ideals it would now be able to hold its desirable position in the face of present developments that are destroying the public's confidence and esteem.

What should business do about it?

What can it do? It is said that every problem has its solution. But does top management contain men of sufficient vision and perception to answer these questions?

Nobody is qualified to give the answer. But anybody can see the need for business leaders to develop new and workable ideals sufficiently challenging and acceptable to the public that good will toward business shall be regained and kept.

It is frequently easier to outline a task than to perform it. And such is the case in the present situation.

But to students of public relations, through which men's minds and hearts are touched, what to do seems plain as the light of day. It is for top management to embrace the *true philosophy of public relations*. On this point one could go so far as to sermonize: Do unto others as you would have them do unto you. In other words, operate in the public interest; help to increase the stature of all men and women on whom the top executives depend for carrying on their businesses; take customers, suppliers and the general public into partnership and serve and protect their interests with the same zeal that corporate and private interests are protected.

It has been said many times but it will bear repeating: Only the philosophy of true public relations can save business—and the world, for that matter.

—REX F. HARLOW.

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—REX F. HARLOW.

# THE PROOF . . . OF THE PROPAGANDA PUDDING

By ELLSWORTH S. GRANT

Vice-President, The Allen Manufacturing Company, Hartford, Connecticut

**I**F I, AS A PERSONNEL MAN, had to choose the most serious and least understood problem facing my profession, without much hesitation I would say it's how management can make friends of and influence employees. To do so, management needs to appreciate the dynamic social structure inherent in every factory. Upon a bedrock of healthy plant conditions must be built a special, continuous program of communication that will have as its goal the education of employees in the what and wherefore of our general economic system and individual plant operation.

In this country we have built the finest tools in the world for creating wealth, yet labor and management wage bitter fights to the point of anarchy over its distribution. In plant after plant industry has perfected mass production, yet it has failed to achieve mass understanding. Why? I believe the answers must be sought in two directions:

## Consider These Factors

1) the trend, accelerated during World War II, toward larger and fewer plants, with centralized management and union controls;

2) the still limited and halfhearted acceptance by management and labor of industrial relations and its kinship to public relations; the need for research in the field of industrial relations to develop more workable programs and techniques; the danger of trying to mechanize industrial relations in the search for standardization.

The crux of all public relations is communication of the mind-to-mind sort. Leadership, for example, depends on the

effective transmission of ideas from one person to others. While science has given mankind marvelous aids to communication like television, the consequence has been merely to speed up the collection and distribution of information and misinformation without fundamental improvement in the moral purposes behind this mechanical process. A great deal more is involved in human communication than electronics or jet propulsion. It is a spiritual process or art—if you will—its practice as diverse and crude as man can be and its effectiveness closely associated with the nature of our institutions.

## Many Kinds of Relationships

Few companies can deny that inside their walls a human gulf—in fact, several different gulfs—keeps apart manager and worker, planner and doer, office and shop. Underneath a surface of order and efficiency frequently lies an impersonal, materialistic and undemocratic microcosm. How wide the separation depends on the size of the organization, the personalities and policies of the executives, the attitudes and actions of the workers and their union leaders. Actually, within any plant several distinct kinds of organized relationship exist:

- between top management and the board of directors;
- between top management and middle management;
- between middle management and the foreman;
- between the foreman and his subordinates;
- between the foreman and the steward;
- between management and the union;

between the union officers and the members;  
 between union members and non-members;  
 between management and office or salaried employees;  
 between office and factory employees;  
 between one department and another;  
 between one club or activity and another.

### A Social Institution

The multiplicity of these relationships demonstrates the usually neglected fact that a plant is as much a social institution as an economic one. It functions like a small community; aisles are streets, departments are homes and each group of workers is a family bound together by a common code of behavior, loyalty and interest. Furthermore, attitudes are by no means always formed or actions taken in accordance with the functional structure of the organization or with management-determined policies. The proclivity of groups to cohere transcends departmental lines and the leadership is frequently unknown or at least disregarded by management. However specialized and cog-like he may have become, the factory worker still persists in behaving like a human being. Wherever a relationship exists, therefore, the need for *ad hoc* communication will be found.

Examine quickly some of these relationships. The foreman has primarily three connections: his superiors, his subordinates and the union. Once he could boss without fear from above or below, and too often he degenerated into a departmental dictator. Then his personal power was emasculated by the centralizing of functions and the growth of staff services. During the past decade his position has been further circumscribed by the emergence of a new authority backed by law—namely, the shop steward.

Now the foreman is popularized as "the man in the middle" because one shoulder is bent with managerial respon-

sibility and the other bruised from lack of adequate authority and status. He constitutes a one-way street, taking but not giving, performing but not participating. Workers take advantage of his decline, bypassing him if possible and making difficult the maintenance of discipline or cooperation. In all holiness he is sworn in as part of management and in all practicality treated as part of the rank and file. No wonder he feels confused, resentful and insecure. Alienated through neglect, the foreman in self-defense reluctantly turns to unions—some of which also include his subordinates. Whether or not he will be allowed collective bargaining rights makes little difference unless the friction and separation between him and top management are overcome.

### Other Viewpoints

The significance of the three-way connection between management and union is sometimes missed. In collective bargaining management finds that the interests of the union officers do not necessarily coincide with those of the shop committee. The latter, as the elected representatives of the bargaining unit, are concerned with their fellow workers' gripes and demands. The former, especially if they are non-employees and politically-minded, show relatively little concern with the technicalities of the contractual relationship and desire mostly to further the objectives of the union as an organization either in the community or nationally. Consequently, management must recognize the existence of at least two viewpoints besides its own when dealing with labor, sometimes reconciling them but always striving to satisfy both.

Occasionally management becomes helplessly entangled in intra-union turmoils that arise where politics and trade unionism mix or in inter-union jurisdictional battles. Employees are pitted against employees, faction against faction, in a scramble for control. In such a situation management is hard put to take

positive action without running afoul of the law or its employee relations.

Suppose that management, through realistic, unemotional and broad-minded behavior, has over a period of years fabricated a peaceful, constructive relationship with the union. Wages and working conditions are above the average for the area. Grievances are few and rarely go beyond the first or second step of the grievance machinery. Stewards have been trained in company policies and procedures. Whenever changes are contemplated, the union is consulted in advance. As he acquires confidence in management and an understanding of plant problems, the union leader's early truculence tends to soften into a reasonable, give-and-take attitude.

#### **Management's Stooge?**

Then, amid this harmony, a black cloud of suspicion, blown by the disgruntled, the uninformed and the radically inclined, gathers about the head of the union leader. He is accused of giving in, selling out, becoming management's stooge. At the next election he will be thrown out of office, unless in the meantime he gets tough again with management or—more unlikely—he can convince the members that collaboration does not mean collusion. Far from uncommon, this kind of situation poses the important question of how can union representatives cooperate without losing their following.

Within management itself are numerous connections and therefore equally prevalent problems of communication. Staff and line constantly bump together. Top management endeavors to see that its policies and decisions are passed down without distortion and at the same time keep abreast of what is happening below. It seems always beset with a hiatus between principle and practice. Training in the fundamentals of leadership does not alone make managers of men. Stimulating managers to use what they know

succeeds only if their thinking and feeling patterns become permanently changed. Furthermore, management never ceases to discover a shortage in the number of persons both able and willing to assume managerial responsibilities.

This sampling of relationships serves to show that a single plant consists of a network of organized, as well as individual, human connections. Obviously, to achieve the purposes for which the plant exists—production, quality, profit, employment, etc.—every segment of this network must be covered with a sensitive, two-way system of human communication.

The means of communication are almost too familiar to list. Since no others can be had, it would seem wise to concentrate on refining and using well the ones available. They divide into three basic groups:

*Verbal*—such as personal contacts, group or departmental meetings, mass meetings, training programs, off-the-job activities, loudspeaker;

*Pictorial*—such as charts, posters, displays, movies;

*Written*—such as employee handbook, union contract, house organ, bulletin boards, letters, local news releases, reports, advertisements.

To find out what employees think, interviews, discussions and surveys are, of course, the common techniques.

#### **Two Types of Information**

Upon recognizing the social characteristics of a plant—its patterns of relationship and lines of communication, management must decide to what extent it should inform and, admitting that information cannot be given without influence, to what end it will strive to influence. There are two types of information: that which is imparted to operate the business efficiently—orders, instructions, specifications, and the like; and that which is given to increase the employees' satisfaction. With private enterprise

fighting for its life against a world that seems hell-bent in opposite directions; unions wielding — sometimes irresponsibly—tremendous economic power to match against that of big business; management removed from its depression-built doghouse by a public appreciative of its superb war production job—at such a time these questions seem anything but academic.

Obviously, organized labor has worked hard and effectively to color the thinking of its fifteen million odd members for its own ends. As a result of the CIO's smart publicity, considerably more members of that organization know about the guaranteed annual wage than do AFL members or non-union workers. Union members are generally better informed and more articulate. Management, on the contrary, has done little down-to-earth, man-to-man propagandizing. The majority of industrial executives feel, according to a canvass conducted by *Public Relations News*, that less than 10 per cent of their employees have "a reasonably accurate understanding" of corporate earnings and profits. To verify this statement, management needs only to ask its union two simple questions—what they consider a fair return on invested capital and what they think the company earns; it is a safe bet that the actual percentage will be lower than each answer.

### Yet Workers Resent Loafers

Another example of common ignorance is the belief among nine out of ten factory workers that manufacturing provides one-third or more of the total employment, when in fact it accounts for about one-quarter. Today's worker—especially the union member—doubts that he should produce more than the average of his group. His reasons add up to distrust of management. Yet the worker resents loafers, favors labor-saving machines and overwhelmingly opposes socialization of factories. And, whether unionized or not, he agrees with management that unions

should be made legally responsible for their contracts.\* In other words, the average worker by no means thinks exactly like his union leader; if anything, he is more conservative and open-minded. Long on intelligence but short on information, he can be educated and influenced.

### Action Needed Now

Management will never have a better opportunity than now to get across its views to employees. Not even the Wagner Act denies freedom of speech to the employer. In the rank and file's understanding of the economic facts of life lies the hope for preserving private enterprise. The personnel man's objective from an internal public relations standpoint should be to strengthen the worker's faith in the system, in the company and in the managers as individuals. From an external standpoint, in the words of Arthur A. Hood, "we need widespread enlightenment as to the relationship of the citizen to industry and how he fits into the over-all economy." And a firm belief in the principles of capitalism must be coupled with living up to them before they can be successfully promulgated.

In my opinion any program of communication for this vital purpose ought to be established at the plant or community level rather than nationally through such large organizations as the N.A.M. or the U. S. Chamber of Commerce. Management has to start by thoroughly examining its own attitudes and those of its employees in order to develop ones that all will wholeheartedly support. For instance, the social relationship between right and responsibility and between freedom and security must be given its due as well as basic human drives and interests. In a free society no power can long prevail without corresponding obligation. If management is to preserve its right to manage, it must assume the responsibility

\*See *Factory* magazine's surveys of worker opinion, December, 1945, January, 1946, and July, 1946.

for providing maximum employment; if the worker is to enjoy the right to a job, he must be willing to produce according to his ability.

### **Want Freedom From Fear**

More than anything else the worker seeks security, which means literally freedom from fear. Rendered dependent by a complex economy, his uppermost concern is steady work at high wages. Constant dread of layoff causes suspicion and hinders full effort. Yet too great an emphasis on security may stifle initiative, and its attainment may be at the cost of individual rights. Management's task is to protect the job security of the worker without weakening his incentive to work.

Appreciation of the need for better communication, preparation of a suitable program and resourcefulness in using the techniques are not in themselves sufficient to achieve influence. A receptive atmosphere, created by sound personnel policies consistently administered, is a prerequisite. Satisfactory wages and working conditions, considerate job placement, stable employment, financial incentives to share the results of increased output, non-financial incentives to foster employee satisfaction—these are some of the essential conditions.

### **Decentralized Authority**

It goes without saying that supervision must be of the highest calibre to insure the correct application of management attitudes at every level. Toward this goal responsibility and its twin, authority, need to be decentralized as much as possible. Proximity to the boss breeds confidence. Through such devices as suggestion systems and labor-management committees employees must be given plenty of chance to speak their mind about matters affecting them. Without the planting and cultivating of personal, friendly relations the fruit of understanding and confidence will never grow. Employees cannot be sold on a system that fails within the

plant itself to fulfill their social and psychological needs.

How to inform and what to say are matters best determined by the individual plant. The various levels of formal education among employees are a factor. Areas of knowledge about company policies, plans and problems in which workers appear least informed, as discovered by interviews and surveys, offer the most vulnerable front of attack. Nothing of interest should ever be withheld that is harmless to reveal. Trade associations and other fact-finding organizations have valuable source material and even complete presentations like films and pamphlets for explaining private enterprise. But the method and content of such communication must be tailored to the conditions peculiar to the plant society and the executive personalities involved.

### **Management's Social Obligation**

What I have tried to convey adds up as follows. Management, as one of the greatest forces in our economy, has a social responsibility to use its power for the welfare of producer, distributor, consumer. If convinced, as I think they are, that capitalism offers the best hope of obtaining national security without losing individual freedom, then they must realize that its preservation hinges on making the system work and educating employees in its workings. Since education is composed of information and experience, employees must be given facts and also allowed to participate.

The problem of communication in an industrial environment is not as simple as the organization chart might indicate because of the many different, complicated social relationships prevailing. The interests of every clique must be reached by the adoption and application of attitudes with which all can identify themselves. To make friends of and influence employees, management must first lay a solid foundation of internal relations.

*(Please turn to page 15)*



# The Road to Good Personal Relations ... for Industry

By CALVIN G. BERSCH

Personnel Relations Consultant, Willis S. Martin Company, Fort Wayne, Indiana

**I**N SPITE OF ALL the personal relations efforts that are being adopted by industry, it is evident that the bull's-eye is not being hit. If you disagree, ask almost any industrialist how today's production per man-hour compares with what he knows is *normal* production. Don't be surprised if he tells you that it is somewhere between thirty and fifty per cent below normal!

Now before we go any further, let's skip back a few decades to the cradle era of American industry. In those days the owner actually worked side by side with his men. He called them by their first names . . . chatted and smoked with them during the lunch hour . . . knew each man's ability, personality and ambitions. When a promotion left a vacancy, he knew which man in his shop could best fill it. And he could explain, if necessary, why John got the job instead of Bill, Mike or Tom.

The intimate contact between the boss

and his men kept him from having personal relations problems as we know them today.

As industry expanded, the boss became "management" and Bill, Mike, Tom and John became "employees" . . . clock numbers. Thus the foundation was laid for the invisible stone wall which has steadily grown between management and employees through the years. If management had not let this stone wall get a start, and then let it grow to its present proportions, collective bargaining as we know it today would probably not exist.

It is management's job to tear this stone wall down. It grew stone by stone and it will have to be dismantled the same way. The cost of its removal will be only a fraction of what it is costing industry to let it stand.

Tongue-in-the-cheek personal relations policies do more harm than good. The man who operates the centerless grinder . . . the one on the drill press . . . the clerk in the accounting department—in fact all the folks who are labeled "employees"—can detect a false note as readily as any piano tuner. Your policies and methods have to be wholehearted and they have to stand on their own merits. They need that honest "ring" to make them acceptable at their true values.

Now I am ready to point out what I consider is The Road to Good Personal Relations for Industry—the road that leads directly to the preservation of our system of free enterprise. It is this: *Do everything necessary to make the folks on the payroll feel deep down inside that they really "belong," and are not mere production units. They want to know that they are important, as individuals,*

CALVIN BERSCH is a graduate of the University of Michigan, where also he did postgraduate work. He was engaged in sales promotion work for twelve years, and for two years was personnel manager with a large gasoline pump manufacturer. He left this position to join the Willis S. Martin Company as personnel relations consultant. His work in this field has gained for him wide recognition.

Mr. Bersch says, "The recommendations contained in my article are based on personal experiences and observations on both sides of the 'stone wall' to which I refer. I have known the 'clock number' feeling and have directed the work of others. I believe I have learned what people want from a job. I also think I know what industry needs, and can have, from the folks on the payroll."



to the successful operation of the business. They want to know *why, how, when* and *where* . . . about everything that affects the business and their jobs. And why shouldn't they? No human being can be expected to do his best if he doesn't know where he, as an individual, fits into the picture.

The personnel department has to do one of the biggest and most important parts of this job. It takes lots of work and, to be effective, must be performed by individuals who really belong in personnel work. I mean the kind of person who genuinely likes people and enjoys helping them—one who inspires confidence, puts people at ease, and is diplomatic as well as tactful.

The personnel manager, or a capable assistant, gives each new person hired a cordial explanation of company policies—why it is a good place to work—and he is invited to discuss his problems or grievances at any time with his superior, department head, the personnel department and, if necessary, with the president if he feels he has not been treated fairly anywhere along the line.

### **The New Employee**

When he reports for work, he is conducted to his department by a member of the personnel office and is introduced to the department head, the supervisor and the folks with whom he will work. Three days later personnel (it should, if possible, be the same individual who interviewed and employed him) contacts him on the job to ascertain how he is getting along and whether or not he is satisfied and happy. One week later this is repeated. Then, after he is on the job thirty days, he is invited to the personnel department for a chat . . . with the same person who contacted him on the previous occasions.

This is the important step. It was not taken earlier because by this time the new man has had an opportunity to get his bearings and become acquainted with his

work. The friendly conversation is skillfully guided by the representative of personnel so that the man's ambitions, job preferences, personality, social habits, hobbies and potential abilities may be recorded for future reference. This information is vital and serves, with possible revisions from time to time, as a guide to the personnel department throughout the individual's service with the company. It forms a sound basis for promotions and transfers. It tends to put round pegs in round holes and square pegs in square holes. Similar facts, of course, must be developed, recorded and used for everyone in the organization.

Every ninety days (this period of time can be adjusted, within reasonable limits, to suit the capacity of the personnel department) there is a friendly interview with every worker—new or old—to enable personnel to uncover any developments that may require adjustment, explanation, investigation or counsel. It may mean explaining to Bill, Mike or Tom why John received a promotion that they felt they should have had. Bill, Mike and Tom, at a time like this, also need expert counseling on what they can do to make themselves eligible for future advancements.

Equally important in the job of making folks feel that they "belong" in the industrial picture is the functioning of department heads, foremen and supervisors. These directors of human effort can contribute immeasurably to the achievement of good personal relations. Many of them need to be taught the *right way* to handle, influence and lead people. This is a real educational job, but it can add much more to production than it costs.

Set these wheels in motion in your plant . . . take the folks on the payroll into your confidence on everything that pertains to the business . . . keep them honestly and well informed . . . and you will find your business traveling *The Road to Good Personal Relations* and to normal production.

# THE AMERICAN GAS ASSOCIATION

## ...an Outline of Its Public Relations Program

By J. E. DREW

Assistant Director of Promotion, American Gas Association, New York City

**I**NHERENT IN THE VERY TERM "public utility" is the responsibility for the maintenance of public relations and the implications are that those relations must be good.

Multiply the public relations responsibilities of a single utility by some 1,500 companies serving more than 20,000,000 customers in approximately 8,500 communities and you begin to appreciate the scope and nature of the job confronting the gas industry.

Into this picture comes the American Gas Association, the national trade organization for the industry. Its public relations activities are best described in three words—create, stimulate and coordinate. It represents and speaks for the industry on a national basis and provides many tools, materials and guides with which the local gas utility may do effective public relations work at the community level. It seeks to give strength and direction to the public relations programs of the various segments of the industry through unity of action.

Like most trade associations, the work of the American Gas Association is done by committees with the assistance of staff members. Some 1,800 men, recognized as experts in their particular lines, serve on 135 committees many of which are directly charged with some aspect of public relations. Most of the public relations work is functional in character and the committees are designated by the nature of their operation, such as National Advertising, Publicity and Promotion.

While no single committee carries the overall responsibility of public relations nor is there a public relations director for the organization, the desired results are obtained through fast moving and effec-

tive coordination by committees and staff. And the same pattern applies pretty much throughout the entire gas industry.

A substantial part of the current public relations program of the Association grew out of two years intensive study of post-war problems of the gas industry. This research was thorough and comprehensive and went into every factor affecting the future welfare of the business.

Public opinion polls were taken, market surveys made and engineering studies undertaken. The results of this work led to the creation of a far reaching postwar program. This was directed toward enlarged research, increased national advertising and the creation of a promotion bureau. More than a million dollars a year was quickly underwritten in 1945 to finance this work, largely public relations in character, for an introductory three-year period. This program was in addition to the already established and quite comprehensive schedule of activities already being undertaken by the Association.

Scientific research plays an important part in the public relations policies and programs of the Association. The organization maintains its own research and testing laboratories at Cleveland and Los Angeles and sponsors special research projects at many institutes and universities.

A staff of specially trained technicians is maintained at the laboratories to develop improved methods of gas production and distribution. Through this research program the quality of gas is being constantly improved, the heat content raised, progress made in perfecting even pressure and production methods studied so that increased supplies may be made

available to meet the ever mounting public demand for gas. Every end use of gas, that is its performance in the home, the restaurant or the factory, is a subject of exhaustive study by chemists, engineers and other technicians. Through their work the quality, dependability and efficiency of gas as a fuel is being constantly improved and customer satisfaction assured. The public relations by-products of this scientific research have been extremely valuable.

### **Sets Rigid Standards**

The gas industry believes that not only must the fuel be good but the appliance in which it is used must be of high standard if satisfaction is to be obtained and public good will enjoyed. Accordingly, the American Gas Association twenty-one years ago set up a rigid set of standards that would assure safety, satisfactory performance and durable construction in gas appliances. The Association gives its Laboratory Seal of Approval, the famous Blue Star, to those manufacturers whose appliances meet those high standards, which are being constantly revised upwards. Before any manufacturer of gas appliances obtains the Seal of Approval he must permit his appliance to be put through the third degree in the Association's laboratories. These tests are exhaustive and have been adopted as American Standard requirements for gas appliances.

The Association goes a step beyond testing to make sure that appliance standards are maintained once approval has been given a manufacturer. It maintains a staff of field inspectors who go into factories, warehouses, shipping departments and display rooms checking on appliances to make sure that those which bear the seal continue to conform to all requirements and that the laboratory Seal of Approval is not misused. This constant elevation and protection of standards has been widely acclaimed as an outstanding example of self-regulation by an industry

for the protection of the public. The public relations benefits have been tremendous.

In addition to the Blue Star Seal, a symbol of still higher standards of performance has been prescribed for some gas ranges. Manufacturers whose ranges meet these additional Association tests are permitted to affix a CP insignia to their products, meaning Certified Performance, above the basic requirements laid down for Blue Star Seal approval.

A large part of the public relations program of the Association might be termed internal; that is, operating within the industry. An indoctrination course for new employees and a general gas educational program for all others has been arranged for use of the membership. These consist of a series of discussions built around slide films and self-quiz forms. Special sales training aids have been devised consisting of a training film, sales guides and patterns for group discussion and demonstration. All this educational material has been prepared by specialists in the educational and sales fields under the direction of Association committees and made available to the local gas utilities at cost. Sales training gets additional stimulus through a series of regional sales conferences which the Association sponsors. These bring together the leaders on the sales side of the industry.

### **Mailings Are Spaced**

Publications play an important part in the Association's program. News letters, bulletins, manuals, reports and other publications are prepared under the direction of various committees. These cover an amazing range of activity—everything from technical reports on the production of gas to recipes for use by home economists. The mailing of these publications is carefully routinized so that no one in the industry, whether he be in engineering, sales, public relations, home economics or statistics, is swamped by a mass of material from the Association.

This spacing of mailings is carefully arranged to make sure that each publication receives adequate attention when it arrives at its destination.

Too, and this is important from the point of internal public relations, all questionnaires are cleared with a member of the staff skilled in this technique. He reduces them to simple language and bare essentials. They too are scheduled so that no part of the membership is hit by information requests from different units of the Association at the same time. This has resulted in a high percentage of replies to questionnaires and has eliminated much of the grumbling that is heard nowadays when busy executives are asked to complete information forms.

The activities of the Association and the highlights of the industry's progress are published in the *American Gas Monthly*, the official organ of the Association. Its editorial standards are high, its material diversified and interesting, and it contains no advertising.

### Advertising Program

Externally, the Association employs familiar media to tell the public about the advantages of the use of gas. National advertising has been used effectively for many years. This program is being accelerated and widened and in 1947 American Gas Association advertising will be seen in three major groups of national publications. They are: 1) Women's Service Group, which includes such magazines as *Ladies Home Journal*, *McCall's*, *Good Housekeeping*, and others directed entirely to women; 2) The General Group, which lists such publications as the *Saturday Evening Post*, *Life*, *American Weekly*, and others whose readership by men and women is almost equal; and 3) The Shelter Group, which takes in *House and Garden*, *Better Homes and Gardens*, and other magazines that apply to the home.

Handicapped by lack of new appliances and with no new production pos-

sible during the war, the national advertising committee of the Association created the "New Freedom Gas Kitchen" and used it as an effective vehicle for gas copy and as a modern and attractive background against which to show gas appliances.

This program converted a heretofore drab part of the house into a bright, cheerful and efficient home center. It caught the imagination of women as has few other merchandising programs. Its success was so great that a special department was built to promote the New Freedom Gas Kitchen and local gas companies all over the country were quick to put the plan to practical use. These kitchens are appearing in the show rooms of many companies and are being used effectively to demonstrate the modernity and efficiency of modern gas appliances. One of the most important public relations jobs on this project was to back promise with performance and that meant providing the information, training and materials for the personnel in charge of local kitchen planning work.

Extensive studies are being made of kitchen design, layout, color arrangements and materials. No less than ten different types of kitchens suitable for all purposes and practical for all kinds of houses have been developed. Through national advertising they are being presented to intrigue the homemaker.

### To Aid Small Companies

Reprints of the color ads produced in national advertising are made available to local gas companies so that they may use them in their own advertising and publicity. In addition, a special advertising service is provided for the benefit of small companies that do not have their own advertising departments. Mats of newspaper ads, tailor-made copy and booklets upon which the company's name can be imprinted are being supplied to hundreds of gas utilities.

Special advertising is directed on a na-

tional basis toward the commercial and industrial users of gas, such as hotels, restaurants and institutions, mills and factories. Nor is the educational side overlooked. Gas industry ads are run in the technical magazines of engineering colleges and special copy appeals are placed in the home economic magazines reaching the school teachers.

Publicity, too, plays an important part in the overall public relations picture. This breaks down into three divisions—general and financial news, promotional publicity aimed largely at magazines of national circulation, and association reporting which covers the activities of the many committees and the progress of their projects.

Virtually all the other well known techniques are employed. The newly created Promotion Bureau is just completing a nationwide speakers' organization. This will operate on three levels—national, in that gas industry speakers will be booked on the programs of other national groups whose cooperation and understanding is important to the industry—regionally, by acting as a clearing house for information regarding speaking opportunities for representatives of state and regional associations—and locally, by providing the gas companies with special material, speaking guides, booking hints, program plans and specimen talks.

### **Motion Pictures**

Another familiar tool being used by the Promotion Bureau is the sound color motion picture. Three pictures are being planned for use in the schools; particularly in home economics and science classes and for special adult audiences such as women's clubs, parent-teachers associations, and similar groups. Here again, the Association prepares the public relations material and makes it available to the entire membership.

Representing the industry on the national level the Association sponsors gas exhibits at national shows sponsored by

industries and organizations in allied fields. This year more than ten such exhibits are being arranged and each display is designed to tell a specific story to the special group sponsoring the show. The booths are always staffed by experts in the particular field being covered, men who are qualified to answer questions and give authentic information. The display materials are later made available to local companies for use in state fairs, community shows, and other types of exhibits.

### **In Consumers' Homes**

Some of the most effective public relations work done by the Association is through the operation of its Home Economics Department. This division reaches right into the home through the local home service directors and is probably one of the most effective forces for bringing good will to the industry. The demonstrations it outlines are cleverly arranged and well attended. The Home Economics Department of the gas company not only helps make better cooks but better homemakers generally, covering every phase of home operation that means more comfort, more conveniences and better living.

Apart from the commercial side of their work, the home economists have been successful both during the war and recently in building a widespread public appreciation of their part in teaching and making available facilities for home canning and the preservation of food. Currently, they are bringing to a brilliant climax a special campaign undertaken at the request of the Government to help make more food available for Europe's hungry millions through extensive canning and preserving operations in the homes of this country.

The home economists perform other work that pays rich public relations dividends. Many gas companies send members of their home service staff into the homes of those who purchase new ranges to make sure they get the full measure of benefit from all the new devices and im-

provements on the modern gas range. The range is tested under practical cooking conditions and the owner often learns new tricks that lead to culinary triumphs. This instruction work is preceded and followed by calls from the Service Department of the gas utility which makes sure that the appliance is properly installed and is functioning at maximum efficiency. In other words, good public relations are built by service that eliminates complaints due to faulty connections or misinformation or ignorance concerning the proper use of the appliance.

The gas industry was well prepared for the vast new housing program. It did not content itself with telling the prospective home owner about the great advantage of gas for cooking, refrigeration, house heating, water heating and air conditioning but made available to the men who plan and build the houses the technical information about all types of appliances, and specifications and installation procedures. This information was compiled after more than a year's work and has just been

produced in a 200-page *Architect's Manual*. These manuals are supplied to local gas companies which, in turn, make them available to those doing home construction work in their communities.

The gas industry's main problem today is the lack of appliances. Shortage of steel and other materials due to strikes has made it impossible for the manufacturers to meet the needs of new construction much less satisfy any substantial part of the huge replacement market. This means that much of the promotional efforts of the Association, the utilities and the manufacturers must be geared to the speed of production. In the meantime the gas industry is strengthening its public relations so that it may pave the way for future growth and development.

It bases its program upon the conviction that a public utility must do more than perform a public service. It must perform that service in the public interest and in such a way that it will command public respect and enjoy public good will.

*Born and reared in California, J. E. DREW, upon graduation from the University of California, entered the newspaper field. Shortly thereafter he became associated with the American Trust Company in San Francisco, where, during his fourteen years with that institution, he became Vice-President specializing in public relations and promotion. In 1942 he became Deputy Manager, American Bankers Association, in charge of public relations, the position he held until February, 1946, when he went with the American Gas Association*

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"We have suddenly discovered that what we took for the enduring presuppositions of our life are in danger of being destroyed. Today we value freedom, I think, as we have not valued it before. Just as a man never appreciates his home so much as when he is compelled to leave it so now we realize our inestimable blessings when they are threatened. We have been shaken out of our smugness and warned of a great peril, and in that warning lies our salvation."—JOHN BUCHAN, *Pilgrim's Way*.



## COLLABORATIVE COOPERATION A TASK FOR EDUCATION

By ORDWAY TEAD

Editor and Director, Harper & Brothers, Publishers

WHAT DOES EDUCATION DO for people and what might it do to lessen the self-seeking of special groups? How can it increase the likelihood that people in groups may come to place their public interests above group interest more often than they now do?

A famous philosopher has said that human social organization has proceeded from a condition of what he called "status" to one called "contract." What did he mean by this?

The classical world was one of status, of relatively fixed and inequitable social relations.

The medieval world of Europe continued in feudalism the social aspects of status but tempered it with a growing sense of the importance of the individual as a person.

Then in later centuries there came in Europe a world of contract. Human relations became increasingly characterized by contractual undertakings among groups deemed equal before God and under law.

This later development is familiar to us as the relationships between employers and workers, producers and consumers, large business and small business—to say nothing of local geographic divergencies of interest, all of which are adjusted under what essentially are relations of contract. We have somewhat equalized social status by the democratic process within nations; but as between nations we seem more intensified in ways which set rigid bounds to our sense of community. Also, the older faith in God-ordered values has waned. And the use of contract in group relations proves a heavy burden under which the relations fall apart and collapse too easily and too disastrously. Our re-

cent record of national strikes is vivid evidence of what I mean; as is also the opposition of some groups to the continuance of the O.P.A., and the opposition of other groups to the Wagner Act in any form.

We seem almost on a dead center with respect to any call to a new integration of public policy and program. Unless something new can be added, we had better acknowledge that purely contractual relations do not have enough adaptive power to lead groups to friendly accommodations and to more productive outcomes.

I have alluded to community relations as proceeding historically from status to contract. I prophesy that these now are about to move into a period more and more dominated by methods I shall describe as *collaborative cooperation*. A third stage of community evolution is due and on its way—a stage with a new mood and a new method.

We shall continue to use contract, negotiation, agreement and legal prescription. We cannot and we should not retreat from the collective methods of intergroup dealing which voluntary bargaining and public regulation embody. But we must transcend these necessary arrangements with a common determination to carry forward group dealings positively and productively in the public interest.

I am not talking so much about the next two years as about the next two generations. And I am saying that a new yeast is ready to leaven the lump. Mankind, as it has been before, is again on the march to new destinations. The progression of events in our advance may be generalized as follows:

- 1) Collaborative cooperation, as a



synthesis of goodwill and good methods, can now begin to generate its fresh moral focus and enthusiasm; 2) such cooperation transcends that which is reluctant or nominal or passive to that which is consciously sought for in explicit face-to-face dealings.

### Not Words But Action

Collaborative cooperation is not just words. It is the way in which wisely led joint labor-management committees act to help production. It is the way the states of India are acting to agree finally upon a constitution. It is the way members of a faculty confer if a good revised curriculum is to be agreed upon. The process of judging and deciding by an interchange of views together, which is thus common to all group inter-relations—large and small—has obvious components which are not mysterious and which can be taught and learned.

Those components are a process of mediation—a holding together in friendly conference until agreement comes—with the idea always in view that agreement requires that account be taken of facts and values which all parties cherish. Desires have to be integrated and conclusions reached to which all are willing to give a trial. Out of every conflict—however profound—the eventual outcome has to be either voluntary agreement on some program, the settlement of the issues by an appeal to force, or the breakdown of relationships which is anarchy.

In the process of collaborative cooperation education has an important role to play. It now finds a task cut out for it which is in a real sense a new task because of the new dimension and complexity of the problem of inter-group relations. We need *many* people capable of thinking and feeling in ways which are inclusive, integrative, relevant, cooperative and experimental. The weighing of lesser and larger interests, the adjusting of private group claims together to evolve a public good—these are matters of the

rational discipline of individuals who are associated in sharing experiences from which agreements have to come. The creation of that discipline is an educational act. And to create that disciplined outlook and method in the youthful citizen's mind and heart becomes a major educational objective if the unity of our community is to be held and enlarged.

This work of education aimed at facilitating the dealings of persons in groups with those in other groups for the purpose of arriving at an awareness of what is valuable for all must have A-1 priority in today's society.

Education has to be preoccupied with cultivating in every youthful citizen a truly scientific mind as a priceless value. We must train young citizens to look at the problems of group human relations experimentally, critically, coolly, in the frame of a public interest democratically interpreted. The cultivation of this skill in the use of the scientific method is first on our educational agenda. All who participate in group negotiations, directly or indirectly, have to know the characteristics of democratic practical judgments; they have to know how to reach them and to *want* to reach them. This whole requirement is more than experience and skill in the use of the scientific method, but it can start with that and must include it.

### Find Areas of Agreement

Education has to build positive eagerness for collaborative cooperation under contract to serve community ends. That is why this view has to be embodied into the warp and woof of education by every conceivable means. The clarifying and affirming of what groups can agree upon is of greater human importance than the refining of their points of difference. Programs that win agreement are of greater worth than ideologies which prolong disagreement. To know how to get programs of inter-group action that win agreement, is to know how to think and work in the

spirit of collaborative cooperation. The success of communication, the forwarding of affection, understanding, participation and loyalty—these require individuals who, with a disposition toward rational inquiry, seek to find a basis for agreement upon programs needing common action.

We dare to be hopeful that education can meet this need because we now see the job to be done. We dare to be hopeful because human experience shows that a fuller and more understanding use of education for a public interest is the only foundation upon which a world community can be built.

ORDWAY TEAD received his A.B. from Amherst College (1912); LL.D. from St. Lawrence University (1939); Lh.D. from Amherst (1942).

In addition to his duties as Editor and Director, Harper and Brothers, and as Chairman of the Board of Higher Education of New York City, he serves as Chairman, Publications Committee, National Council of YMCA's; Chairman, Public Affairs Committee, and Chairman, Board of Trustees, Briarcliff Junior College. He is a member of the American Economic Association, American Academy of Political and Social Sciences, American Association for Labor Legislation, and others. Author of numerous books, among which are *Human Nature and Management*, 1933, *The Art of Leadership*, 1935, *New Adventures in Democracy*, 1939.

*He is a trustee of the American Council on Public Relations.*

## The Proof of the Propaganda Pudding

(Continued from page 6)

Employees must like their boss before they can like their job or the company, and they must like their company before they can have faith in the system as a whole.

In communicating to employees the fundamentals and problems of business operation, management must be honest, forthright, positive, and progressive. During a recent strike in Connecticut the

union set up headquarters opposite the factory gate and installed a loudspeaker over which the booming voice of the labor spokesman urged the marching pickets on in these words: "Remember, the majority never does anything in history; it's always the minority." If this be true—and I believe it is—management has no time to lose to put its words into deeds and deeds into words.

Born in Wethersfield, Connecticut, ELLSWORTH S. GRANT received his A.B. from Harvard University in 1939, spent a year as Editor and Secretary of the Hartford Newsdaily, an experimental newspaper. In 1941 he became Personnel Director for the Allen Manufacturing Company, Hartford, and in September, 1945, was made Vice-President in Charge of Industrial Relations; also Assistant Treasurer and a director. Mr. Grant's firm manufactures socket screw products and employs about 600 workers.

*He is a director of the Hartford YCMA and former President of the Hartford County Industrial Relations Society.*

# A PUBLIC RELATIONS PROGRAM FOR A SMALLER COMPANY

By RUDOLF W. STAUD

Sales Promotion Manager and Director of Public Relations,  
Benjamin Electric Mfg. Company, Des Plaines, Illinois

MOST ARTICLES AND BOOKS on public relations deal with the problems, methods and organization of the larger companies whose size and far-flung operations create special problems not usually encountered by the smaller manufacturer. While theoretically it is possible for smaller firms to use to a lesser degree the principal methods adopted by large concerns, in practice budgetary limitations often present many difficulties to such adaptations. Nevertheless, there are a great many things which a smaller company can afford to do and which will ultimately reflect themselves favorably on its balance sheet. Some of these may be suggested by the following outline of a program carried on in a medium sized company employing approximately 600 people and located in a suburban community approximately 25 miles from a large metropolitan center. About 65 per cent of the company's employees live in the community in which the plant is located and the balance in surrounding suburban towns.

Since 1926 RUDOLF STAUD has directed the sales promotion and advertising of Benjamin Electric Manufacturing Company and in the summer of 1944 assumed the additional duties of Director of Public Relations. His outline of his company's public relations program will be of particular interest to executives in the thousands of "small companies" that make up our great industrial economy.

Mr. Staud is a member of the American Marketing Association, National Industrial Advisers Association and the American Council on Public Relations; Vice-President of Illuminating Engineering Society and President of R.L.M. Standards Institute.

## Objectives

Our objectives are simple: We like to do the things by which others will continue to recognize us as a good firm with which to do business, a good firm for which to work and a good firm to have in the community.

It is not always easy to achieve these objectives; often they require a slow process of self-education. All actions and decisions made by the officers and executives of the company must be weighed and evaluated in terms of the factors which influence the public's attitude and opinion toward the company and its organization.

## Community Relations

Like many others, we have found it desirable to keep the community surrounding our plant (in which our employees live) informed about the company's policies and program. At the same time we recognize that our employees living in these communities also must be kept informed about our plans. In our case we have found effective a series of assemblies of our employees, a monthly publication published by and for the employees, and news stories and advertisements in the local community weeklies.

Our assemblies are held approximately every six months and are usually followed by entertainment, dancing and refreshments. The formal part of the program usually consists of a 25-minute talk by an officer of the company outlining the company's plans and thinking, with representatives of the employees such as the business representative of the union also invited to participate in the speaking.

News stories with a brief summary of

the talks are prepared for the community weeklies which have in every instance printed the complete story. A complete report of the assemblies with photographs and a condensation of the talks presented are also published in our employee magazine.

We recently completed a moderate size testing and development laboratory which was made an occasion for formal dedication exercises and open house for the community leaders, the employees, their families and neighbors. All the community papers in our area carried photographs and news stories of the new building and of the dedication ceremony. A complete story with candid photographs and data was also included in a special issue of the employee magazine. Copies of this special issue were subsequently mailed to about 1,000 non-employee visitors during the open house.

#### **New Ad Program**

We now have under preparation a new series of newspaper advertisements in which we aim to tell the folks in the community more about the company's products and markets and about the contributions which the company and its employees make to the community.

While the work involved in planning and conducting these activities takes considerable time, the expenditures are relatively small and well within the budget of medium sized and small companies which are interested in maintaining good community relations. We have found that some of the activities can be handled by the advertising manager or personnel manager with the aid of employee committees. For medium sized companies employing from 250 to 600 people we feel it is desirable, where available, to employ competent public relations counsel or community relations counsel to make a survey of the specific needs of the company and to assist in starting such a program. Fees of such counsel are small when compared with fees of attorneys,

certified public accountants and other consultants usually employed with such firms.

#### **Industry and Competitor Relations**

For many years the company has actively cooperated with other firms in the industry in such activities as development of technical standards, expanding the market for the industry's products and on industry public relations programs and other similar activities. Its executives freely give their time to serve as officers and committee members. Many of these activities, of course, have a direct value of promoting sales or improving the design and performance of the company's products. At the same time they have a public relations aspect, especially in the many instances where our representatives submerge their own company interests in rendering a service to the whole group. While our industry is highly competitive, through such participation, it is nevertheless possible to keep good relations with our competitors without impairing the company's competitive position.

#### **Governmental Relations**

Representatives of the company freely give of their time to assist various governmental agencies (WPB, OPA, Bureau of Standards, Department of Commerce) by serving on advisory committees or acting as consultants. Such services give the smaller manufacturer a better understanding of the problems faced by these agencies and, at the same time, give these agencies a better knowledge of the problems and needs of the smaller manufacturer.

#### **Supplier Relations**

In these days of shortages, suppliers everywhere probably are treated with as much or more consideration than the star customers of the company. While we have no specific program with reference to our suppliers, we receive their representatives courteously, make them feel welcome,

provide them with reading matter about the company and its products, reduce their waiting time and bolster their spirit. In other words, we like to treat the salesmen calling upon us in the same way in which we hope our salesmen are treated by the buyers of our products.

### Customer Relations

Many of the things which today are classified as public relations have been part of the company's program for more than 25 years. We have always supported the various activities of the electrical wholesalers which are distributors for this company's products by helping them extend their sphere of influence and in meeting some of their specific problems. When at the beginning of the war certain governmental agencies refused to purchase from the "middle man" we assisted in educating the personnel of these agencies in the real services rendered by the wholesaler through personal contacts, letters and advertisements.

Recently we started a promotional and educational program to show the place which the qualified electrical contractor has in the distribution picture and to secure increasing acceptance for the services rendered by him. We have made available to our customers and to our distributors and dealers advertising matter which sells their business and their services and not the company's products. It has been our experience that these and other indirect promotion methods in addition to building good will increase our sales by increasing the business of our outlets.

We know that it is always possible to improve correspondence with our customers, particularly the handling of letters of complaints. We give attention also to the handling of telephone calls and the elimination of all other items of irritation with those who contact us from day to day.

While we do not judge our public relations program by clippings, we do send to the local weeklies stories of newsworthy

happenings which may be of interest to the community. Some of these are also sent to metropolitan dailies which circulate in our communities. Smaller companies which do not have in their employ any one capable of preparing such stories can usually secure the cooperation of the editor of one of the local papers in the preparation and distribution of this material.

Announcements of new products, transfers, promotions, new catalogs and other subjects of interest to their readers are sent to trade publications in our field. Editors of these publications interested in improved methods and new processes developed by our engineering and production people are given free access to the plant and assisted in the preparation of these articles.

### Company Publications

We have an employee magazine—*The Benjamin Whistle*—edited and prepared by a board of three editors, which at the present time consists of two shop employees—one of these is the chief steward of the union—and the assistant advertising manager. This publication is produced inexpensively by the planograph process. The contents include reports on the various company assemblies and social activities, sports, departmental news and, as space permits, from time to time photographs of company products at trade shows, reproduction of national advertisements and descriptions of any new or improved products.

In addition, we also have a quarterly external publication, *The Lighting Review and Digest*. In this publication we include condensations of articles on lighting and related subjects of interest to the personnel of our distributors, electrical contractors, architects, specifying engineers and others who have occasion to recommend, specify, sell or install our products. While the cost of this publication is charged to sales promotion ex-

(Please turn to page 28)

EDITOR'S NOTE: Mr. Trynin, Research Director of the American Council on Public Relations, has made an important contribution to the field in this historical study of the development of public opinion measurement in America. In it he has traced the progress of research in the field of human relations. Here is presented Part I. Parts II and III will appear in the October and November issues of the *Journal*.

## The Researcher's Flaming Torch Keeps Burning Bright

By BEN S. TRYNIN

Research Editor, American Council on Public Relations

### PART I

WHEN A FAMED ENGLISHMAN gazed out of his Fallodon window in 1914 and sighed: "Now the lights go out all over the world!" he did not foresee the flaming torch of the researcher that would leap forth and surround the darkened world.

World War II was won by the greatest research effort of all time—launched by a meek little exiled German mathematician. Today, people say, the physical researchers walk with their heads high, and look down their noses, superciliously, at their brethren who vainly research in those futile fields of human relations.

But a cursory glance through the files of recent history will reveal that research in group-relations, if halted by the war in some fields, was not curbed in many other directions.

#### Consumer Research

Just before the Pearl Harbor outbreak, the laborious efforts of American manufacturers—through several decades—to develop a public good will toward their identities (brands) were attacked by a strong left-wing movement. When Congressional action seemed to be imminent, a number of these firms and organizations found their existence endangered. They began to count noses; to seek the facts.

Through the east and middle west, a

number of Better Business Bureaus—14 in all—sent shoppers into stores. They bought 275 cans bearing grade labels. These cans were subjected to Agricultural Marketing Service tests. It was discovered that 31 per cent did not measure up to the grade marked on the label. Also, grade for grade, and item for item, the canned fruits and vegetables sold for much higher prices in co-op stores than in private stores. A price comparison for 15 identical items, in the Spring of 1941, showed an overall price difference of 30 per cent, in favor of the private stores.

These Better Business Bureaus reported that "grade labels" could be as deceptive as private brands if the makers lacked integrity. It depended more on integrity than on the label.

A few months later, Elmo Roper—engaged by the National Canners Association—interviewed 7,500 adult women and learned that they were quite contented with prevailing canned food prices and labels. Although they seemed fairly willing to go along on the grade labeling idea when this was explained to them, a few—a small percentage—believed it to be strictly necessary, or urgent. Many couldn't understand the grade label notion anyway. (Roper was beginning to build his reputation, at the time, by virtue of his successful vote forecasts.) A year later, the National Retail Dry Goods



Association made a nationwide survey among retailers, and learned that 71 per cent of them found that customers purchased by price (in their shopping lines) rather than by labels, and that grade labels would not reduce prices. Forstman Woolen Company searched a nationwide women's sample, and was unable to find many women who understood the difference between "100 per cent Virgin Wool" and "All Wool."

Despite these early research efforts, the grade labeling agitation went on. Presumably, the results of these studies were not communicated forcefully enough to halt those who opposed private labels.

In recent years, the Brand Names Foundation has taken up the cudgel, and promoted an effective research program which has made some headway in this direction.

### What Went Before

Prior to this period, whatever studies of private brands had been followed were those conducted by media owners—newspaper and magazine publishers—more interested in the relative popularity of private brands, than in their ultimate survival as a group.

In 1941, we find that *Modern Magazines* was charting the trend of cosmetic brand preferences among its readers, and had been doing so for successive years since 1932. The *Milwaukee Journal* had been recording the shifts of private-brand preferences among local housewives since sometime early in the 1920s.

Crossley, together with Everett R. Smith, noted MacFadden researcher, in 1942, was developing a "consumer index" for *Liberty*—studying the shift in brand-use over an 8-week period. In 1943, he continued his studies, this time with *True Story*, breaking up his sample into 3 income levels, and viewing 32 classes of products.

Later, in 1943, Dell Publishing Company revealed that its research department had made three separate studies—

of cosmetics, drugs and homemaking product preferences—among 2,050 readers. Dell revealed, that it was completing that year (a) its thirteenth survey "of Beauty," (b) its eighth survey of "Homemaking" and (c) a third survey of "Drug Products."

These studies, to be sure, were not of the profound nature of those which investigated the consumer attitude toward advertised brands, in general, which were mentioned above. These brand-preference studies were primarily intended to be promotional efforts, designed to encourage the use of this or that medium for advertising use. The motivation prompting these surveys was primarily a competitive one. It was not a struggle-for-existence effort.

But these early studies laid the ground work for the discovery of "kinks" and "error" in mass-research methods, in methods of sampling, of questionnaire and interview, which were improved later.

Early in 1941, we find that not a few advertisers and advertising agencies were becoming vastly interested in "reader-ship studies." For example, Westinghouse.

### Consumers Best Judges

In the earlier years of the 1920s, Daniel Starch—and others—had published some significant studies which demonstrated that professional advertising men did not always predict with infallible accuracy the attention- and reading-value of the advertisements they prepared. Starch showed conclusively that consumers were better judges of consumer-copy than copywriters. My own experiments, with Sun Maid, in 1921, seemed to lead to a similar conclusion, and I was fortunate enough to suggest to Dr. Starch, then at Northwestern, the Sun Maid Raisin consumer survey which he conducted later at Harvard. He has since published this chapter in his monumental book, *Principles of Advertising*.



Westinghouse tested this same theory, in 1940, by having its advertising agency (Fuller & Smith & Ross) mail 11,500 sets of its advertisements "blindfolded"—with the advertiser's name blanked out. Subscribers of nearly 30 class monthlies and weeklies, business monthlies, weeklies and dailies, received these "blindfold" advertisements and were asked to identify them. Over 62 per cent replied that they remembered reading the advertisements, and only 7 per cent failed to name the right advertiser. Other advertisers followed suit.

### Warning Issued

A year later, Gallup (then as now vice president of Young and Rubicam) sounded an open warning. He was frightened by some of the goshawful methods used by some laymen to test advertising effectiveness. The gist of his statement was, "A complete understanding of techniques must be devised to measure advertising effectiveness before the validity of these findings may be discussed intelligently."

This warning was given at the December, 1941, meeting of the American Marketing Association in New York City. At that time, Starch, Clark, National Markets Analysis, and the Advertising Research Foundation were already making considerable headway along more scientific lines than those which Gallup condemned.

Further impetus was lent to publishers a year later in the direction of sponsoring such "readership studies" by Ray O. Eastman, who published a study of periodicals in which Kellogg advertisements had been placed over a 30-year period. Eastman discovered that nearly 60 per cent of these periodicals had gone out of existence. "They lost touch with their readers," was the explanation advanced. More research work on readers' tastes and preferences was the conclusion implied.

McCall's then revealed that it had been conducting such readership studies

since 1940. In 1942, it offered in two volumes, *A Qualitative Study of Magazines*, for sale at \$10. *Life* was becoming active in this field; its studies were placed under the eyes of men like Paul Cherington (an early pioneer of marketing research), Brown (Harvard), Wilks (Princeton), and Crossley, who were assisted by a staff of psychologists, public relations and media analysts. Their activity was expanded to cover a "Magazine Audience Group," servicing other publishers.

In 1942, we find other extensive "readership surveys" in progress. For example, the "Continuing Study of Newspaper Reading" revealed in April, 1942 its striking results of men's reading habits: comics first, sports second—and of women's reading habits: department store sales first, society news second. Published by the Advertising Research Foundation, these findings were contained in an 80-page report, based on 18,000 interviews from coast to coast. Prefacing its 16 pages of conclusions, there were 26 charts and 109 statistical tables. For the business executive—with the stamina to wade through such a weighty document—the data was instructive, to say the least.

### A Policy Check

To check on the merit of its new policies developed since Ben Hibbs became editor, the *Saturday Evening Post*, a year later, interrogated its readers on their likes and dislikes of the new format, and learned that women reported a gain of 32 per cent in reading time, men 28 per cent. In 1943, Fawcett, and the National Comics Group (an association of 19 monthly and quarterly comic periodicals), conducted surveys among advertisers and families, and were able to report a few statistical results of objective nature. The Comic Group survey was made in a New York State locality of 11,500 homes and handled by an outside agency (Paul W. Stewart & Associates).

Such "readership studies" have become more frequent in recent years. The

Advertising Research Foundation, to mention one case, has surveyed the reading-habits of men and women on Thursdays and Fridays (big advertising days) of each week, in certain cities. It began these studies in July, 1939, and made 77 before February, 1945. Over 500 interviews were held daily.

In February, 1945, the Foundation expanded its activity to cover "readership studies" for the other 5 consecutive weekdays. These studies determined not only local reading habits of advertisements, but of news-stories as well. One story—in Durham, N. C.—was found to attract 80 per cent of men and women readers in February, 1945, because it told of a local boy's bitter experiences on a distant war front.

In May, 1946, A. J. Wood announced the development of a new "index for measuring the effectiveness of advertising." He counted the number of readers who remembered reading an advertisement, and the number who purchased the product. He compiled ratios of "identification" and "conversation." In this way, he ranked the effectiveness of various slogans which had been advertised.

Such readership studies were quite helpful to publishers and advertisers, since they revealed points of strength and weakness in editorial and advertising appeals.

### In Psychological Warfare

The United States Government, too, found such readership studies helpful in its psychological warfare activity.

After D-Day (1944), a group of OWI research men landed in France. They were headed by Elmo Wilson (now CBS research director). Their object was to supply data on French and German mass-opinion to SHAEF and others, to guide these "brass hats" in outlining their peace problems, and in framing their future public relations programs.

These OWI researchers conducted 67 separate French studies, later boiled

down to 10 attitude-survey reports, and about 15 media analyses. Three studies were on Frenchmen's movie preferences (they wanted better films than the kind we were sending over.) Later, this work was taken over by the French Institute of Public Opinion (Gallup).

Among the Germans—prisoners and civilians who were pro-Nazi and anti-Nazi—these OWI men did 33 media studies (learning that those Germans sniffed at our swing music, among other American importations).

### In Consumers' Homes

Today there are a considerable number of "panels" or such "continuing studies" prevailing among American consumers' homes. The first such effort materialized long before Pearl Harbor, at which time this article begins its purview.

According to the Encyclopedia Britannica's article on "opinion research," the *Women's Home Companion* launched the first Reader-Report Panel, about ten years ago. Purpose was to poll the reading (and, later, the buying) habits of its readership.

Polled a dozen times a year, this publication asked its readers to voice their opinions on various matters—homemaking, family life, editorials, shopping habits, movies. No question was slanted to suit any single advertiser, but the replies were made available to any or all of them. It was a service to the magazine's advertisers.

In radio, the importance of "audience surveys" was not overlooked. We find that CAB and Crossley were already operating in the field of radio-listening audit, in 1928. In 1934, Hooper entered the picture with a new twist of his own. In January, 1941, CBS was able to advertise a story of its record averaging 161 "first rating programs" each week against all competition.

In May, 1941, CAB (Cooperative Analysis of Broadcasting) improved its technique, published a nationwide sur-

vey of city and farm preferences of radio programs.

In 1942, CBS (with the aid of Industrial Surveys) circulated 250,000 test questionnaires throughout the country, proclaimed a "Single Measure of Circulation and Listening Areas for All Stations" in the United States. Later, it was adopted in Canada. In 1944, the Broadcast Measurement Bureau (research division of NBC) also adopted it.

### The Audimeter

In December, 1942, Nielsen, the Chicago researcher, announced that he had removed the "human equation" from radio-audience measurement. He had taken over an MIT invention—the Audimeter—which was an automatic recording device, attached to a radio in a home, recording the hours and stations tuned in. By the same month in 1943, he was able to point to 45 clients using this service; two networks, twenty manufacturers, and twenty-three advertising agencies.

Gallup, too, came out with an automatic recording device. It differed from Nielsen's in that it recorded not the precise program or station but the audience-attitude toward the program. Named the Tel Voting System, and Unit Ballot Analyzer, it worked by pushing buttons, indicating the likes and dislikes of the listener or spectator toward the program heard. And also, in a movie theater, of the picture seen on the screen. A chart showed the overall reaction of a sample-group. For pre-testing motion pictures, it was a logical gadget. Six motion picture companies were reported to have subscribed to this service.

Others have joined in this procession of audience-testing. In 1945, the University of Wichita published its Iowa Radio Audience Survey (only 20 per cent were annoyed by commercials). An advertiser, Union Oil of California, stationed its own men to check automobile drivers (learned that 61 per cent had radios, 41 per cent tuned in on company program).

Last May, Station WHOM (Manhattan) had dug down so deep it could tell the difference in listening habits between Polish, Italian and Jewish audiences.

The Cooperative Analysis of Broadcasting, determined to expand its program rating further, embarked on a \$60,000 fund-raising campaign last Spring, but results have not yet been reported.

Naturally, such extensive kinds of listener study by radio interests has affected favorably the attitude of national and local advertisers. Sensing the inroads possibly made by such effort into their own markets, the newspaper interests were moved to launch a vigorous defense. They requested Neil Borden, Harvard Business School advertising teacher, to conduct an independent research on "National Advertising in Newspapers."

The financial grant, to support this research, was made by the *Boston Herald-Traveler*. Assisting Dr. Borden were Professors Hovde (Univ. of Penn.), and Taylor (Univ. of N. Carolina). And the results were very illuminating: the proportion of the nation's total national advertising expenditure shared by newspaper publishers dropped from 54 per cent in 1929 to 29 per cent in 1943. (Sharpest loss was in tobacco and liquor advertising expenditures.) The professorial advice: that publishers quit fighting each other, and put shoulders together to promote their common cause.

### More Facts; Less Boasts

The direction of their future desirable effort was suggested by a survey of 35 advertising executives, published at the same time by Station WOR (assisted by Paul Stewart & Associates). These advertising buyers said, in the main, "give us more facts; less promotional boasts minus the data to back up these boasts."

A few weeks later (April, 1946), the Research Committee of the Newspaper Advertising Executives Association, made its own report, after surveying a

Manhattan could tell between agencies.

Over 290 replied that they wanted "more data on brand preferences and where people buy" from newspaper publishers. They ranked as "outstanding" such research projects as those conducted by the *Milwaukee Journal*, Scripps-Howard newspapers (pantry shelf inventories), and the *N. Y. World-Telegram* (retail store sales-flow).

They did not want too much "secondary data"—such as housing details, length of employment in present job, age and sex factors (the keen delight of the scientific statistician).

Various types of advertisers wanted various types of specific data, pertaining to their own fields. Rental areas meant nothing to them (in OPA rent control days). Mail questionnaires could stand a great deal of improvement.

In this manner, newspaper publishers are beginning to turn the "research light" upon themselves.

### Teachers' Reactions

Audience studies among school teachers have gained much interest in recent years. Teachers are of strong influence among the young—the American audience of the 1950s.

In December, 1940, the Consumer Education Association published a paper by O. B. Paulsen, Haywood (Calif.) instructor, reporting a survey among his pupils regarding advertising contests ("mostly gyp affairs"). In February, 1941, a *State Teachers' Magazine* survey revealed a nationwide distrust of advertising among the educators.

In 1943, the Can Manufacturers' Institute surveyed a large sample of instructors and learned that they preferred the educational material supplied by Government, university and food-manufacturer sources to those offered by consumer unions, can and glass manufacturers, and magazines.

In September, 1945, the Committee on Consumer Relations in Advertising (sponsored by the 4As), tested the attitude of 17 experienced school teachers toward 27 pieces of promotional material issued by ANA members for secondary school use, and found that these subjects were highly prejudiced against the use of "advertising material" but had no objection to "educational exhibits." These teachers added many constructive suggestions of their own.

### Humor Lacking

Early before Pearl Harbor—in January, 1941—two persons, a man and a woman, called attention to a single noticeable lack in America's audience appeals—the lack of humor.

Edward A. Grossfeld, a Chicago retail advertising manager, told the National Association of Retail Clothiers and Furnishers, that "foremost among the important techniques we should see is that of humor." He pointed to a survey made of current English wartime newspaper advertising campaigns.

At the same time, Dorothy Lewis, vice chairman of the Radio Council on Children's Programs, addressed a meeting of national and state officers of leading women's and parent's groups, sponsored by the National Association of Broadcasters, and referred to a \$4,000 research grant made by General Mills for a University of Iowa study of juvenile programs. Of the several hundred programs surveyed, "only one or two included humor."

The following year, Proctor and Gamble launched a test campaign of color ads in comic periodicals. Last June, National Laugh Week was announced by a New York association of "gag writers," who formed a National Laugh Week Foundation to invite popular suggestions for eminent American humorists to be elected to a Hall of Fame.

(To be continued)

# "PACKAGED" PUBLIC RELATIONS

## —THERE IS SUCH A THING

By RAYMOND H. FIELDS

Public Relations Director, The American Legion, Indianapolis, Ind.

AS A SMALL CITY NEWSPAPER EDITOR and publisher for twenty years, I had an idea about public relations, that is rapidly vanishing under the experience of a new job—just a year old this August.

It has been my long-range opinion that public relations was a nebulous something that could not be packaged, could not be weighed, felt or accurately evaluated. Public relations by this concept was something that just did or did not happen.

Case trials as director of public relations for the American Legion have shown me this opinion was wrong. Some of these cases I will analyze later in this article.

Before going on, I want to write a bit about the organization of the public relations division, which was an undertaking beyond adequate description.

The American Legion plucked me out of my second world war for the purpose of having me organize a division of public relations. I took over on V-J Day. War had taken its employee toll of the Legion as elsewhere. A solitary newspaperman comprised the "division." Today there are twenty-three staff members in the main office at national legion headquarters in Indianapolis and the branch offices in Washington, New York and Los Angeles. The organization consists of Administrative, Press, Publications, Radio and Commander's Field Service branches. Others will be added with experience.

The task of finding young men and women to fill this table of organization was most interesting and challenging. Two returning employees of World War I came in as branch chiefs. That made three in this category, counting myself. Looking ahead a few months, it was perceived that the majority of Legion members would be World War II veterans.

(This group is now sixty-eight per cent of the total membership!) Hence they should have their chance, their ratio. The rule was laid down that no new employees except World War II veterans would be employed—and they weren't back home as yet.

So the skeletonized office struggled along. But plans were being made ready for the day when organization was complete. For instance, the Legion had only a hit-and-miss mailing list. In public relations, however, there is nothing more important. And so a list of nineteen thousand daily and weekly newspapers, radio stations, radio commentators, editorial writers, veterans' editors, house organs, college publications, and the like, was immediately compiled. Added to this was a lengthy personal and official list. These have paid for themselves many times—in a few months. Those on the lists receive the *National News Service*, a weekly clip sheet containing a minimum of twenty Legion stories.

Lady Luck came through the doorway on many occasions, in the form of young service people seeking jobs. As an example, a young prewar, small town radio station owner dropped in. He was grabbed. The Radio Branch came into being. Today the American Legion's two programs, "This Is Our Duty" and "Play Ball," are respectively carried on 607 and 457 stations, on a sustaining basis. The stations are contributing 35,200 quarter-hour periods to the Legion in 1946. There are only 35,040 fifteen-minute periods in a year, and so the two programs are topping Father Time by 160 periods. All script is written in the Indianapolis office and production is done by network studios in New York.

Now here is the first case to be cited proving that public relations is a tangible something. The station acceptability list was not growing so fast about four months ago. "This Is Our Duty" was hanging around the four hundred mark. It was decided to do something for the stations that were accommodating the Legion. Through the *National Legionnaire*—which is published by this division—a campaign of appreciation, down to the level of the 15,452 Legion posts, was inaugurated. Window posters with space for station call letters and program time were printed and sent to the posts in the cities where the stations were located. Today, thousands of windows in the nation carry these posters.

What was the station reaction? The list started to grow again. Other similar promotions were added. The list grew faster. On the walls of the stations appeared "Letters of Commendation" from the Legion. The list bounded up again. Radio Branch was checked in the center of this paragraph and last week alone eight new stations came in.

Cooperative promotion in this instance was tangible, packaged public relations. There is such a thing.

### Nationwide Radio

The radio story could fill chapters. For instance, National Commander Stelle has been on twelve nationwide hook-ups since his election last November. That is more than the President of the United States has appeared on, not that he couldn't be on many, many more if he desired.

The same story of development applies to all branches. The newspaper clippings are climbing every month, preponderantly favorable. Special promotions are being added. For instance, in the last sixty days the American Legion College held its first session in Indianapolis and the Boys Forum on National Government held its first meeting in Washington. The latter is an extension of the Legion's Boys State which is an institu-

tion in thirty-three departments. Public relations had the promotion job.

### Another Example

Now to another case in hand. Boys Forum of National Government was a combined Americanism division-public relations promotion. There has been one newspaper group in the United States none too friendly to the Legion, in fact unfriendly. Executives of this chain were contacted and interested in the Washington experiment. Here was a group of boys from every state in the union studying government in Washington at first hand. They were organized into political parties. They formed a senate and put a bill—extension of the draft—through from committee to passage with the clerk of the Senate showing the way. They heard Senator Connally on foreign affairs; Attorney General Tom Clark on cabinet questions. They made up a mock supreme court under the guiding hand of Chief Justice Vinson. They visited the White House, talked to, and shook hands with President Truman.

Were not these newspaper executives interested in this vital youth activity of the American Legion? They were. They had been listening to another story. So they visited the Boys Forum being held at American College and got an enlightening earful.

With this foot in the door, the executives were indoctrinated with other Legion activities—eight hundred thousand boys in the nation playing competitively in junior baseball, a nationwide oratorical contest among high school students, national essay contests, not to mention the fundamental programs of rehabilitation, hospitalization, child welfare, etc.

Two editorials in a single week praising the Legion's program went out over this chain.

That again is packaged public relations. It is a selling job.

The newly founded Public Relations Division of the American Legion does not



take full credit for the amazing growth this year, and for the public attitude toward the Legion, but it does want a bit of the credit. Recently North American Newspaper Alliance took a survey to find what organization had the best standing with the public. The American Legion was way out in front, the favorite.

The membership has doubled in 1946

over 1945. It now stands at 3,278,000. New posts are being chartered at the rate of fifteen daily.

I forecast three million members for 1946 as far back as November 1945, amid dour head-waggings. Put down in your book 5,000,000 for 1947.

And public relations will "be in there pitching packaged goods."

*Following World War I, RAYMOND FIELDS entered the newspaper business in Oklahoma. In rapid succession he became City Hall reporter, Sports Editor, Capitol political writer, City Editor. In three years he was Managing Editor of the Oklahoma News. Today Fields has interests in four daily and four weekly newspapers in Oklahoma. In World War II Fields saw service as Major in the Army in charge of all organized labor affairs at the Los Angeles Port of Embarkation. On V-J Day the American Legion secured his release so that he could assume his present duties.*

## A P. R. Program for a Smaller Company

(Continued from page 19)

pense, we feel it is primarily a public relations tool.

### Contributions and Donations

Like most other companies, we receive many solicitations for contributions and donations. Some of these requests are on the borderline of rackets but most of them come from causes fully deserving of public support. Some are based upon the erroneous opinion that our company is larger and wealthier than it really is, and we find it necessary to make courteous but firm refusals. We find it advantageous to have all these requests referred to one individual who has steeled himself to resist the appeals to vanity and who has developed the facility to say "no" without offending. Of course every company must set its own standards by which to decide which of these activities to support and which to refuse. In our company such requests are judged in the light of their direct or indirect benefit upon the company's sales and profits, on the one hand,

and upon the influence which the activity sponsored by the soliciting organization has upon the direct welfare and well being of our employees, on the other.

In the further development of our program we recognize that the desire for maintaining good public relations must permeate all our contacts with the public whether they are customers, suppliers, applicants for jobs, employees or our neighbors in the community. We feel that our success will ultimately be measured by the attitude of these groups toward our company and by their understanding of the company's problems and program. Every company, no matter how small it is, can afford to do some things to help create a better understanding of the company and thus of industry as a whole. From our experience we find that such doing does not call for large expenditures but primarily a willingness of all company executives to pay attention to the many details which make for better public relations.



# THE WEATHERVANE

By VIRGIL L. RANKIN

Director, American Council on Public Relations

## *Life Insurance Public Relations*

The life insurance companies of America, through their public relations agency, the Institute of Life Insurance, have launched a new series of advertisements in the Fourth Phase of a Cooperative Advertising Program.

Scheduled to appear in 350 newspapers and 4 farm journals, at a cost of \$1,400,000, the long-range, public service campaign is written to the theme "Family Happiness Has to be Planned." The initial advertisement carries the caption, "What this country amounts to depends on what happens to its homes," and features an unsigned quotation from Dr. Harry Emerson Fosdick. Most of the ads in the series will quote eminent authorities on the home and family.

In announcing the new campaign Holgar Johnson, president of the Institute, said: "The insurance companies' interest is tied directly to the maintenance of family happiness and security. By stressing financial and social implications (the new campaign) will perform the vital function of calling to national attention the whole complex problem of preserving and strengthening the family unit."

## *What About Printing Costs?*

Last month we reported the demands of the Washington, D. C. typographical union with the observation that a trend seemed to be forming which could materially affect printing and advertising costs in the year ahead. Chicago typos have made similar demands—6 hour day, \$3.02 an hour, double and triple pay for overtime, four weeks vacation, and provisions for new scale negotiations every 30 days.

Chicago printers and publishers say they'll fight; that demands mean a forced contraction of the industry and reduction

in number of jobs. The deadline is set for October 4. Union says: "New contract or strike."

## *California's Public Relations*

The Army and Navy did more to popularize California than the Chambers of Commerce. Of the millions of servicemen who trained in California or cleared through one of its ports, eight out of ten say that they intend to return. Since V-J day, according to Governor Earl Warren's estimate, 300,000 have made good their intention, and a goodly number are seeking public relations spots. The Council offices have been deluged with applicants—many of them able and well qualified. The fact remains, however, that opportunities are not growing apace. There are scores of capable men and women for every available public relations spot.

## *Suggestions Pay Two Ways*

The General Electric Company (Lynn, Mass.), according to a report in *Newsweek*, has just paid one of its workers \$3,000 for an idea, and considers the money well spent. It is the highest award paid since the inauguration of the GE employee-suggestion system 40 years ago. Significant is the fact that the idea was put into workable order after the worker had left the company to join the Seabees.

## *Caveat Emptor, in Reverse*

Mr. G. C. Denebrink, vice president, Bigelow-Sanford Carpet Company told members of the Los Angeles Breakfast Club that the time has come to revise the old Roman maxim and make it read: *Let The Seller Beware!* He believes that the time is now when the seller rather than the buyer must assume responsibility for purchase satisfaction.

Public relations workers know that this is not some startling new truth. It has

been said in many ways and many times, but emphasis in this day can help. The law is placing greater responsibility upon the seller; consumer and other pressure groups seek additional controls—grade labeling and the like.

### ***Complete Honesty***

Listed as the first essential ingredient of good advertising copy is *Complete Honesty*. The author of the list of essentials is Herbert K. Reynolds, vice president and resident manager, Foote, Cone & Belding, San Francisco, who is heading up an Advanced Copy Writing course at Golden Gate College (SF).

The importance of complete honesty in advertising copy to the whole public relations operation was pointed up in a conversation with a personnel director. This man was complaining of the way in which his firm's employees discounted all management statements. He said it was due to product claims in the firm's advertising which were disbelieved by employees.

### ***"The Right Road"***

Early this month the Dayton Power and Light Company launched a series of advertisements written to the theme: "The American Way—The Right Road." *Editor & Publisher* (Aug. 31), reports that the ads will run in Dayton and 45 other Ohio papers. Kenneth C. Long, president of D P & L Co., states that his decision to run the series of advertisements is based upon the belief that business leaders in these critical times have both the obligation and privilege to foster the fundamental rights and freedoms which have made America great. "Too often," he commented, "these rights and freedoms are taken for granted."

Mr. Long is making available to one newspaper or firm in a community mats of the series of ads. Proofs and posters are also supplied to editorial writers and schools.

### ***Battle Lines Clear Cut***

If public relations workers represent-

ing American enterprise need a challenge to action they may find it in a circular recently distributed to members of the Los Angeles Newspaper Guild. The concluding paragraph should be sufficient evidence that battle lines are drawn for a finish fight in this country between the American system of competitive enterprise and Communism; it reads:

"The crises and depressions, with their terrible suffering for the majority of the people can be completely eliminated only by doing away with the capitalist system itself. Only a socialist society, in which the working people themselves own and operate the factories and newspapers, can permanently put an end to poverty, depression and war." The final line urges: "Join the Communist Party Today."

### ***Stop Fiddling In Discord***

Millard Faught discussing the hiatus between advertising and public relations (*Tide*, Aug. 30), concludes his article on a hopeful note. He observes: "Enough mature perspective is beginning to emerge, and to be reinforced by experience among admen, public relations men and members of company management, so that individuals in all three ranks have decided to stop fiddling in discord, and instead to man the pumps together before the economic system in which we all function goes up in smoke."

### ***Right to Get Rich***

Milwaukeeans are being told, via outdoor advertising, too "Protect Your Right To Get Rich." This fresh slant on "free enterprise" is the product of Milwaukee agencyman Harry H. Scott and Fred Nicholson, a lithographer of that city, who have personally financed the series of boards. Each board carries a sub-head constructed to relate free enterprise (The Right To Get Rich) to the workers aspirations and problems: "Better pay for the better man," "Praise, not scorn, for the man who gets ahead," "When you pay dues, know what they buy you."

# A Tremendous Problem for Domestic and Foreign Public Relations of Business

By W. G. HERRON

Business Consultant, Governmental and Public Relations, Washington, D. C.

**B**USINESS MANAGEMENT in the United States faces a tremendous and vital problem in public relations—at both the domestic and foreign levels. What should be its role in connection with the development of our economic policy as a basic part of our foreign policy? The problem involves relations with peoples whose languages we speak, but what is more difficult, with peoples whose languages we do not speak.

I believe that the role of business should be as follows:

1) Organized business, and organizations set up to work for business, should make an analysis of their own public relations problems involving production, potential surpluses and markets. This would indicate the necessity of giving particular consideration to our foreign relationships.

It appears that America is rapidly approaching a new postwar position of permanent surplus production similar to England's in its early industrial days when it had to dispose of its products.

When Donald Nelson resigned as Chairman of the War Production Board to become a special Ambassador, he told

Based upon many years study of the structure, development and organization of Congressional committees, W. G. HERRON here discusses a major problem facing the public relations representatives of American business. He has long been close to the Washington scene. Prior to the establishment of his own offices there he served for a number of years as the Washington representative of the Los Angeles Chamber of Commerce. He is known for his research and keen analysis in the field of government economics.

me that our capital production facilities had increased to four times prewar output and consumer goods facilities to one and a half to double those of prewar.

Besides that at least 6,000,000 returned service people have to be absorbed into our reconstructed civilian economy, which means that jobs are going to be demanded by a good portion of that 6,000,000. This is going to result in pressure to keep plants operating and not to cut down.

What are we going to do with the eventual surplus output of our new increased production? We are going to produce ourselves into poverty if we do not find adequate markets, domestic and foreign. The marketing problems of the West are more serious than in the East. A plant in the East can widen its territory and by more aggressive efforts find markets farther out. But the western plant is limited. It has to jump over many hundreds of miles of sparsely populated territory into the Midwest, and face unfavorable freight rates, too.

The wisest thing a manufacturer of competitive products can do is to set aside at least 20 per cent of his product now and arrange with the best exporting firm he can find to develop his foreign markets. (Such firms are now crying for merchandise for export.) He should try to get into foreign markets *now*, before they are captured by other countries. In two or three years, when the home markets are saturated, it will be too late.

2) Ascertain and take advantage of the facilities already set up to meet this situation, by the Commerce, Agriculture and State Departments, the National Chamber of Commerce, C.E.D., N.A.M.,

The National Foreign Trade Council, and various national associations of exporters, importers, bankers and shipping people. Support a program of development of whatever kind of government machinery is necessary to enable us to try to keep the track open, to keep our toe in the door in foreign markets. Establish an intelligent effective foreign sales effort. This will require the cooperation of business working with appropriate committees of Congress that have been set up, and their proper staffing. If we don't do this the situation will increase in seriousness.

In order for any program to succeed it must always be related to fundamental policies. In all international dealings there is not a major power dependent on trade which has not over a period of hundreds of years been fully aware of its own basic economic policy, both domestic and foreign, and its own political policy as related thereto.

For instance, England for hundreds of years has been fully aware that its economy is one of trade. It could survive only by being the workshop for the world, by bringing in raw materials upon which to perform certain processes, and then by selling goods in their processed form. Knowing that, England has planned its foreign political policy so as to serve its economic policy for distribution of its goods. Thus, its economic and its political policies are so combined as to constitute its complete foreign policy. Most other foreign countries whose economy is based on trade also, I believe, have both a foreign economic policy and a foreign political policy.

#### **The United States Picture**

In contrast, the United States, in developing our foreign policy, has not yet become aware of our new expanded output and potential surpluses, and the necessity of exporting them, and receiving imports in exchange. Our foreign political relations must be geared to our new

economy. In America we have largely confined our foreign relations to matters involving political policy with a minimum consideration of our economy. The result is that our people and our Congress are not sufficiently conscious of the need for combining these two policies to determine our complete foreign policy.

#### **Politics Ahead of Economics**

Over a year ago, I made an analysis of the functions of the several hundred committees and subcommittees of Congress. It showed that Congress had never even set up a subcommittee to deal primarily with our foreign trade, which in turn would develop in Congress a foreign economic policy in which our political policy as developed by the Foreign Relations and Foreign Affairs Committees could then be related. Many actions in our foreign relations have been taken completely in reverse putting our politics ahead of our economy. We have used our food and other commodities to influence the internal political affairs of a foreign country inclined toward Communism or Fascism without also securing adequate economic advantages. Because we have not been foreign trade-minded other countries have constantly taken advantage of us. At the very time one important foreign country sought an American loan through political channels, it was discriminating against American motion pictures, and our other products.

I presented this situation and my analysis of the committee organization of Congress to the chairmen in authority, showing the great need for centralizing congressional action on the economic aspects of foreign trade. A Trade and Commerce Sub-committee was established in the House Inter-State and Foreign Commerce Committee. In the Senate Commerce Committee, a Sub-committee on Domestic Commerce and one on Foreign Commerce were created. I believe this action will eventually result in separate full

*(Please turn to page 36)*

*What can public relations do to establish high standards and rules of conduct? How can it limit the practice of public relations to those who are qualified? The recent Garsson episode, resulting from the Mead Committee's exposé of mushroom munitions manipulation, has caused two thoughtful public relations practitioners to set down their views.*

## WANTED:

### A Code of Ethics. A Set of Standards

#### FORD B. WORTHING

Director of Public Relations, Kiwanis International, Chicago

DURING THE PAST FIVE YEARS, especially, public relations has taken tremendous strides, moving into the top executive category where leaders of great organizations, industries and corporations endeavor to add, subtract and multiply the views, whims and desires of Mr. and Mrs. America before announcing a new product, activity or policy.

This fact is self-evident. It is a common sense approach and makes for good business. Public support is needed by every group large or small and there is no getting around the rule that the thoughts and wishes of the buyers of our products must be considered day and night.

Granted that good public relations is essential to any business. What about the men and women who hold the destiny of this mighty youngster in their two hands? Do they actually know the meaning of public relations? Do they understand its many ramifications? Do they know that it involves something more than merely publicity?

Every man and woman practicing public relations today should ask himself two rather fundamental questions for the sake of honesty to his employer and to the public if nothing else. "Am I equipped to advise and counsel on public attitude and public acceptance?" "Am I able to mould sound public opinion?"

There are too many people today who profess to be public relations counsellors, advisors, authorities, experts, directors, or what have you, who actually lack the experience and knowledge necessary to do an adequate job.

Oh yes, there are those in the profession who say we should point with pride, never criticize, cite only the many accomplishments of public relations. I cannot agree. Honest, sincere, devoted and able public relations practitioners are riding the road to ruin by allowing the field to become glutted with men and women who know little or nothing about the subject.

Several weeks ago, a vacancy occurred in my department, requiring an immediate replacement. A number of men and women were interviewed. In the main, they were recent university graduates, who were unable to show a great deal of experience. Late one afternoon, however, a young man called and said that he was the answer to my prayer. A conference was arranged. The next day he made his appearance and, from all indications, he apparently had something to offer. After checking his background, I found that he had never worked on a newspaper, in advertising, or for radio. He had gone to college for three years and studied transportation. The war came and the army

assigned him to public relations. His job was to write news releases covering promotions and to send them to the hometown newspapers of the individuals affected. He staggered me when he said "in view of my wide public relations experience, I am seeking a position that will pay \$6,000 a year to start." But the payoff came when he told me that he was unable to use a typewriter and could not give me a sample of his writing, preferring instead to take notes on a suggested story, return home, scribble it out in long-hand and bring it back the next day.

Please understand, I am neither taking issue with the public relations program of the armed forces, nor speaking in a derogatory manner of the able men assigned to this type of duty. Most of them had years of experience preceding their military service. Many, many others, however, with no previous experience, were assigned to routine public relations jobs and for some strange reason gained the impression that they had won their spurs and now are qualified to serve as counsellors in civilian life.

Have you taken the time to read the "position wanted" advertisements in the trade journals recently? You will be surprised. They bear out the point of view that the glamour of public relations is attracting too many who lack the essential tools.

### **If Reputation Is Held**

Constructive criticism has never hurt anyone or anything. The various other professions have been subjected to attack over the years until they lifted their standards, allowing only competent, qualified persons to practice. This, it seems to me, must be the course of public relations if it is to retain its name and reputation. So-called public relations experts are hurting the profession and if the present trend continues, business, industry, labor and agriculture will look upon the honest and able practitioners with distrust and disfavor.

### **What Is Required**

What can be done, you ask, to avoid this possibility. The answer lies in a non-profit association, headed by a board of governors authorized to establish rules of conduct and empowered to set standards, admitting to membership only those who can show by education or experience that they are qualified to practice public relations. The legal and medical professions long have pursued such a course and their ethical standards are of the highest. Even baseball governs itself. This association then should advise each organization, corporation and industry that its members have passed rigid tests and stands ready and able to do a job. It would not be long before most companies and concerns would look to the association for qualified men, or insist that their public relations staffs meet the standards required for membership.

### **Too Many Shingles**

Too many public relations shingles are being hung today by Tom, Dick and Harry—the boys who have had little or no training in leadership, economics, practical newspapering, psychology, political thought, the social sciences, radio, advertising, history, selling, management, promotion, graphic arts or research.

Point with pride and overlook the profession's shortcomings if you wish. But, if today's concept of public relations is to survive, constructive criticism and a good housecleaning are not only essential but imperative. We are riding the road to ruin if we fail to establish the highest possible standards and get rid of the imposters. Let's make certain that *Time* never again has occasion to carry a picture caption such as the one that appeared in its issue of August 12. It read: "Also among Garsen's friends: an ex-convict named Benjamin Franklin Fields, who had blossomed prosperously as a Washington public relations man."



## RICHARD B. HALL

Public, Industrial and Government Relations, Washington, D. C.

I HAVE RECEIVED SEVERAL expressions of concern from public relations people throughout the country over the recent publicity given the self-styled "public relations" activities in the mushroom munitions manipulation exposed by the Mead Committee.

Any explanation necessary is that we here, where those involved based their operations, never thought of them as being even pretenders in public relations. They were not listed in business or classified directories, and had not attained identity in local business or community life. The expose confirmed all this and clearly revealed they were just opportunist promoters, lobbyists, or go-between fixers.

### Not Alarming

There should be no cause for alarm lest the good name of legitimate public relations suffered from this incident. The Washington press and wire services alerted to the situation were extremely fair—evidencing every effort to do good reporting and not cast reflections upon our respected vocation. Public relations was actually named or referred to only a few times and principally in the early breaking of the stories.

Even then reference was usually made in some saving manner such as "self-styled public relations advisor"; "the stooge who set up lavish quarters and labeled his nefarious operations as 'public relations';" and making similar clarification or using quotation marks whenever actually naming "public relations."

But do not conclude that this writer and others in Washington who live by and for public relations have been indifferent to the incident. We have naturally been concerned and are endeavoring to do everything judicious to counteract any adverse reactions.

Public relations in your nation's capital has its local problems recurrently appearing in the actions of would-be lobbyists or fixers, sporadic manufacturers' agents, men-with-connections, etc., who operate under the self-bestowed title of public relations.

But comparable examples exist in other cities when nondescript promotions and sales campaigns and pseudo public interest programs are conducted under the category of public relations. Remember, too, doctors, lawyers, preachers, bankers and other individuals in the higher businesses and professions are frequently cited for malpractice, unethical conduct, moral turpitude and embezzlement. Yet these widely publicized acts do not destroy public confidence in their vocations.

We regret that such things done or brought to light in Washington, because of some official or government involvement, seem to occasion more concern than those acts of poor judgment or ethical violations we in Washington read about as taking place elsewhere under the label of "public relations."

### Needs Organization

Yet that only inspires in us here the greater hope that such incidents will soon become impossible, or at least minimized, through the organized efforts of those who have long recognized the standards necessary to establish the respect public relations deserves.

In the meantime, the established public relations people in your nation's capital will continue to be concerned about the few cases of spurious lobbyists, people "with connections," go-betweens, and that certain variety of "Washington representative" or liaison expert who operate under the self-applied misnomer of "public relations counselor."

**F**ORD B. WORTHING was born 32 years ago at Wheeling, West Virginia. He worked his way through Miami University (Oxford, Ohio) by serving on a number of metropolitan daily and weekly newspapers. At 19 he was cited as the youngest editor of a newspaper in the state of Ohio. His experience includes a turn with International News Service. Shortly after Pearl Harbor, Governor Bricker asked him to serve as Director of Press Relations for the Ohio State Council on defense. In 1943, he assumed his present position with Kiwanis International.

**R**ICHARD B. HALL for many years has been interested in developing ethical, professional standards in public relations. He has been active, officially, in the affairs of both the American Council on Public Relations and the American Public Relations Association. He serves several substantial clients as consultant in public, industrial and government relations. His offices are in the nation's capital.

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*"Ideals are like the stars—we never reach them, but like mariners on the sea, we chart our course by them."*

—CARL SCHURZ.

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## A Tremendous Problem for P. R. of Business

(Continued from page 32)

standing committees to serve our foreign commerce.

Business management alert to the present necessity of providing future foreign markets should make use of these committees. It should work with them and inform them of its foreign economic and public relations problems. That is a big enough job for any public relations man. In fact, it's so big that every public relations man associated with a business in America should get busy on it.

The above discussion is in no way intended to detract from the credit of Will Clayton, senior of the six Assistant Secretaries of State, who is in charge of economic affairs for the State Department. Such foreign and economic policies as we have are largely due to his efforts and those of his staff in the Office of International Trade Policies and the Division of Foreign Economic Development in the

Office of Financial and Development Policies.

The point is this: Congress is our Board of Directors who should determine policies upon recommendation of the production and sales departments—the departments of Commerce and Agriculture.

The State Department officers are our attorneys who should handle negotiations with our customers in accordance with the policies so determined.

Under the continued War Powers Act however, the State Department is continuing to determine policies through its interpretation of the needs of business and agriculture in attempting to make them effective. Normal business organization would suggest procedures returning to Congress the function of making policies.

# The Public Relations Power Plant of the Newspaper Industry

By CHARLES W. HORN

Classified Advertising Manager, Los Angeles Examiner, Los Angeles

JOURNALISM, it is said, falls roughly into two classes: papers which make it their chief aim to inform and interpret; and papers which place the emphasis on entertainment. This, of course, is oversimplification. There is another objective—public service—that is best exemplified by a feature commonly overlooked by the principals of the press when extolling the virtues of newspapers on purely editorial and advertising grounds. That public service is the millions of lines of classified advertising published in newspapers every year.

In these condensed back-page agate liners, newspapers provide a community vehicle for one of the most fundamental functions of a free economy: the privilege of supplying and satisfying individual wants and needs in a manner as unrestrained as when our founding forbears met in public squares to exchange goods and services.

A classified advertisement is a *paid* "letter to the editor," an invitation entrusted to the publisher, to all readers to come and do business on a reliable, neighborly, profitable basis. To the public, classified is news more than it is advertising.

Last month in a full page advertisement in *Editor and Publisher*, one eastern newspaper reported that it received 351,556 written replies in answer to the *box-number* classified advertisements which appeared in that newspaper in one month. Think of it—351,556 letters in one month! Those letters came from people seeking apartments—business men with money to spend for real estate—men and women looking for employment—families eager to buy merchandise—a

countless variety of readers' interests based on urgent need.

We all know that the number of *box-number* advertisements in any newspaper is a very small percentage of the total number of *classified* advertisements published; in most papers it is less than 2 per cent. When you think of these 351,556 letters, think of the additional thousands of answers made in person, by telephone, and by mail to all the other advertisements not using box numbers.

Last year on a mid-west newspaper of only 22,000 circulation, a routine "Continuing Study of Newspaper Reading" report showed that classified advertising in that newspaper both among men and women readers, was the highest ever recorded, and exceeded in reader interest all other features of the newspaper . . . and this newspaper carried only one page of classified advertising.

Newspapers are frequent targets these days for competitive media and every out-of-joint disturber and malcontent. Newspaper policy is attacked, display advertising is criticized, features are ridiculed, news itself struggles to keep free of arbitrary censorship. Yet never has classified advertising been assailed as a monopolistic menace, a national nuisance, an economic liability!

Wilbur Forest, president of the American Society of Newspaper Editors, recently complained in a full page editorial in *Editor and Publisher*:

"Among the multiple problems of editors and publishers today is the long range task of defending the good name of the American newspaper. 'What is being done about this?' he asks, and immediately answers, 'Almost exactly nothing.'"

Mr. Forest went on to say: "The modern student (in universities and colleges) is indoctrinated with a deep and abiding distrust of the newspaper as an honest medium of news and expression . . . what is the newspaper profession doing to offset this sabotage? Almost nothing. Anti-newspaper competition holds the stage virtually without competition."

Mr. Forest cited a typical question, implying a typical criticism, asked by a modern student exposed to anti-American newspaper doctrines: "Why do newspapers print only what their advertisers want, and refuse to print stories their advertisers would dislike?"

### Pleasing the "Advertiser"

Just who are these "advertisers" whom the newspapers supposedly cater to? When critics complain that newspapers try to please their "advertisers," let's admit it—so do politicians. What these myopic objectors fail to realize—and the newspaper industry has thus far failed to bring it to their attention—is that display advertisers are but a small percentage of all the advertisers who use newspapers. Most of them are *classified* advertisers.

Consider one western metropolitan newspaper in this regard. In an average month, this newspaper prints some 4,000 display ads of all kinds. But the people of that city are represented in this same newspaper with over 136,000 classified advertisements every month! The PEOPLE, of their own volition, use over 30 times as many ads as all display accounts, write them as they please, and place them voluntarily in the newspaper of their choice.

Classified advertising could not flourish unless it was bedrocked on public confidence, for classified touches people more pointedly than it touches newspapers. Classified's volume and value is of the *people*, not of any newspaper or any self-interested, self-sustaining, professional minority group. No other medium is so sensitive to public action and reaction.

Classified's value and volume depend entirely upon what the public thinks of it and does with it from day to day.

In these days of scarcity and blocked markets, classified provides the only true index of public opinion about prices, values, and services, encompassing almost everything one can think of: airplanes, yachts, automobiles, real estate, jewelry, jobs, radios, pianos, refrigerators, machinery, pets, livestock, farms, businesses, industrial sites, mountain cabins, furs, building material—everything conceivable needed for the community and commercial life of the nation. In classified, the people not only set the prices, they create the demand and furnish the supply. Here, in newspapers alone, is the greatest reliable emergency market of economic essentials in the world!

Classified is not only a multi-million-dollar annual revenue-producer, it is the *public relations power-plant of the industry*, generated not by the industry itself, but by the people.

### As Old as the Free Press

Students and professors of journalism and advertising, interested in tracing the beginnings and growth of successful newspapers, large and small, throughout the democratic world, might explore this interesting fact: the corner-stone upon which these newspapers were built was classified advertising—the grand-daddy of display advertising and newspapers' oldest reader-feature in continuous, uninterrupted existence since the inception of the free press.

Until the advent of the modern tabloid, which introduced a new concept into the publishing business, the newspapers that achieved outstanding dominance in their communities built their imposing superstructures of leadership, prestige and profit on the public-service foundation stones of classified.

Newspapers which laid their foundations deep in classified have notably with-

stood the onslaughts of competition. Newspapers which neglected classified, and concentrated their concerns on display volume and flash circulation features have been the more frequent victims in periods of depression and change than those which made classified leadership a primary objective; newspapers without classified have always been considered fairly easy game for enterprising, hardhitting journalistic competition.

Look over the list of the most successful newspapers throughout the United States, Canada, Great Britain, South America, Australia, and other countries where a healthy free press exists. Almost

without exception, these newspapers dominate in classified, public service advertising; and it is significant that they lead in prestige and profit, shared by their owners, employees, advertisers, and the communities they serve.

Classified readership is the strongest and surest rock upon which newspapers can build public acceptance. Once established, and vigilantly protected, classified does what no other newspaper department can do: forge, through the multitudinous daily transactions of its classified readers and advertisers, the industry's strongest service-and-profit bond between publisher and public.

*CHARLES W. HORN has, for 25 years, been an executive with Hearst newspapers in New York, Chicago, Seattle, Pittsburgh, and Los Angeles. He is Vice-President and former director of the Association of Newspaper Classified Advertising Managers; has written and spoken extensively on classified advertising and enjoys national recognition as a specialist and authority in this field. Born in Chicago, he is a graduate of Hanover College, Indiana.*

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PRESENTS

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Never before in the history of your business has so much depended upon the sound, far-sighted planning of management. Every decision is fraught with public relations significance. Every policy must be carefully reviewed in the light of its impact upon the welfare of all segments of your public—employees, stockholders, community, government, consumers and others.

New and perplexing demands require that you and your executives devote serious thought and study to the subject of public relations—if you are to meet the challenges of the future.

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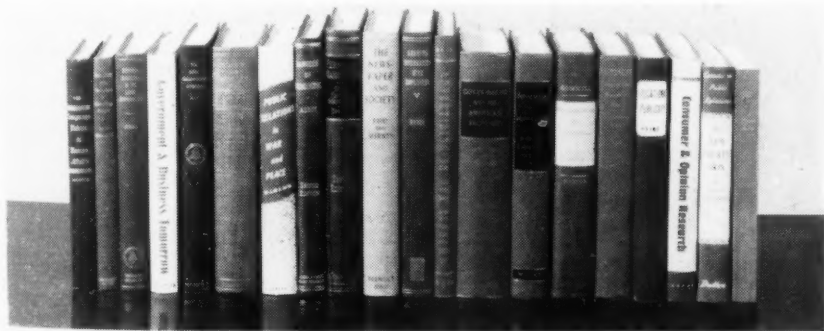
You can do as an ever-increasing number of key executives are doing: utilize the Council's public relations course for your own enlightenment and that of your associates in management. It is a thoroughly practical, down-to-earth presentation of the broad field of public relations. All divisions are treated and their relation-

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IN CONFERENCES, conventions, and in the trade press business men have been harangued, cajoled, warned, threatened—told of the fate awaiting them and their enterprises unless they take action in defense of free enterprise.

Their response is: "What action?" "How?" The president of a large midwest manufacturing concern puts it this way: "What we need now is not so much to be 'sold' on the necessity of action as to be given concrete assistance and help in how best to handle the job here, at our own plant level."

That statement also sums up, to a large degree, why more and more thoughtful executives are turning to the American Council on Public Relations. These men, through Council membership, find the "concrete assistance and help" they require in the public relations administration of their enterprises.

And management's job today—its *number one job*—is one of public relations; of building understanding among employees, community, suppliers, customers, stockholders, government and its other publics. How well this job is done will determine the fate of our free competitive enterprise system; of labor and management tomorrow.

## How You Can Become a Council Member

Individuals in the following classifications are cordially invited to membership in the Council:

1) Top executives concerned with overall public relations policies; 2) Executives charged with public relations administration; 3) Public

relations directors, counsellors, assistants and staff members; 4) Public relations students.

Application for membership is made to the Board of Trustees of the Council on the form provided below, or on your letterhead. The applicant is provided an *Information Return* upon which to outline his qualifications. Upon approval by the Board he is admitted to Council Membership.

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2. **Publics.** The monthly news bulletin of public relations. Here, in condensed form, are highlights of significant speeches, brief notes on important new books of interest to the field, reports of successful public relations activities—eight to twelve pages of material gleaned from scores of sources to keep you informed on what leaders in the field have said or done during the month.
3. **Books on Public Relations.** Sponsored by the Council, edited by its President, published by Harper and Brothers, these and other selected volumes, are issued to members.
4. **Research Studies.** Contain the findings of the Council's Research Department resulting from surveys of significant public relations subjects.
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